

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 349 be amended to read as follows:

- 1 Page 3, line 26, delete "IC 27-7-3.5-15)" and insert
- 2 "**IC 27-7-3.5-16)**".
- 3 Page 3, line 27, delete "IC 27-7-3.5-18)." and insert
- 4 "**IC 27-7-3.5-19).**".
- 5 Page 4, line 30, after "7." insert "**As used in this chapter, "closing**
- 6 **protection letter" means an indemnification of or undertaking to**
- 7 **a party to a real estate transaction by a principal, such as a title**
- 8 **insurance company, setting forth in writing the extent to which the**
- 9 **principal is responsible for intentional or unintentional misconduct**
- 10 **or errors of the principal's agent in closing the real estate**
- 11 **transaction.**
- 12 **Sec. 8."**
- 13 Page 4, line 34, delete "8." and insert "**9.**".
- 14 Page 4, line 36, delete "9." and insert "**10.**".
- 15 Page 4, line 41, delete "10." and insert "**11.**".
- 16 Page 5, line 5, delete "11." and insert "**12.**".
- 17 Page 5, line 9, delete "12." and insert "**13.**".
- 18 Page 5, line 12, delete "13." and insert "**14.**".
- 19 Page 5, line 23, delete "14." and insert "**15.**".
- 20 Page 5, between lines 29 and 30, begin a new line block indented
- 21 and insert:
- 22 "**(4) Issuance of closing protection letters."**
- 23 Page 5, line 30, delete "15." and insert "**16.**".
- 24 Page 6, line 1, delete "16." and insert "**17.**".
- 25 Page 6, line 6, delete "17." and insert "**18.**".

- 1 Page 6, line 17, delete "18." and insert "19."
- 2 Page 6, between lines 33 and 34, begin a new line blocked left and
- 3 insert:
- 4 **"The term includes a title agency."**
- 5 Page 6, line 34, delete "19." and insert "20."
- 6 Page 7, line 24, delete "20." and insert "21."
- 7 Page 7, line 36, delete "21." and insert "22."
- 8 Page 7, line 42, delete "22." and insert "23."
- 9 Page 8, line 8, delete "23." and insert "24."
- 10 Page 8, line 14, delete "24." and insert "25."
- 11 Page 8, line 18, delete "25." and insert "26."
- 12 Page 9, line 10, after "obtained" insert "an".
- 13 Page 9, line 11, after "insurance" insert "policy:
- 14 (A) that provides coverage for an opinion of title;
- 15 (B) from an insurer that is acceptable to the title insurer;
- 16 and
- 17 (C)".
- 18 Page 9, line 13, delete "with a deductible not greater" and insert ".".
- 19 Page 9, delete line 14.
- 20 Page 9, between lines 22 and 23, begin a new paragraph and insert:
- 21 **"(h) To obtain an initial license under this section, a title agency**
- 22 **shall comply with the requirements of section 27(a) of this chapter.**
- 23 **Sec. 27. (a) To obtain an initial license under this section, a title**
- 24 **agency shall:**
- 25 **(1) have deposited with the department securities of the type**
- 26 **described in IC 27-1-13-3(b) and having at all times a market**
- 27 **value of not less than ten thousand dollars (\$10,000); or**
- 28 **(2) post a surety bond of not less than ten thousand dollars**
- 29 **(\$10,000) payable to the department;**
- 30 **to secure the title agency's performance of the title agency's duties**
- 31 **and responsibilities under the contract described in section 30 of**
- 32 **this chapter and entered into between the title agency and each title**
- 33 **insurer for which the title agency is appointed. If a surety bond is**
- 34 **generally unavailable, the department may adopt rules under**
- 35 **IC 4-22-2 to establish alternative methods by which a title agency**
- 36 **may comply with this subsection.**
- 37 **(b) The deposit made or bond posted under subsection (a) is for**
- 38 **the benefit of a person insured under a title insurance policy and**
- 39 **damaged by the title agency's violation of this chapter or of a**
- 40 **contractual duty or responsibility described in subsection (a).**
- 41 **(c) A title insurer shall not, directly or indirectly on behalf of a**
- 42 **title agency, provide a deposit or bond required under subsection**
- 43 **(a).**
- 44 **(d) A title agency may:**
- 45 **(1) exchange or substitute securities:**
- 46 **(A) described in IC 27-1-13-3(b); and**

1 **(B) of like quality and value;**
 2 **for securities on deposit;**
 3 **(2) receive interest and other income accruing on securities**
 4 **deposited; and**
 5 **(3) at reasonable times, inspect a deposit of securities made;**
 6 **under subsection (a)(1).**

7 **(e) If a properly documented claim is timely filed with the**
 8 **department by a person described in subsection (b), the**
 9 **department may remit to the person in payment of the claim an**
 10 **appropriate amount of:**

11 **(1) a deposit made under subsection (a); or**

12 **(2) proceeds that are received from the surety.**

13 **(f) A deposit or bond described in subsection (a) must remain**
 14 **unimpaired while the title agency continues in business in Indiana**
 15 **and for one (1) year after termination of all title agency**
 16 **appointments held by the title agency. If there are no claims**
 17 **outstanding against the deposit or bond one (1) year after**
 18 **termination of the appointments, the department shall return the**
 19 **deposit or bond and any accrued interest to the title agency."**

20 Page 9, line 23, delete "26." and insert "28."

21 Page 9, line 24, delete "25" and insert "26".

22 Page 9, line 27, delete "Subject to approval" and insert "**A**
 23 **continuing education course must be approved"**.

24 Page 9, line 27, delete ", a continuing" and insert ".".

25 Page 9, delete lines 28 through 42.

26 Page 10, line 5, delete "do the following:".

27 Page 10, delete lines 6 through 8.

28 Page 10, line 9, delete "(2) Grant" and insert "**grant**".

29 Page 10, run in lines 5 through 9.

30 Page 10, line 14, delete "(A)", begin a new line block indented and
 31 insert:

32 **"(1)".**

33 Page 10, line 14, after ";" insert "**or**".

34 Page 10, line 15, delete "(B)", begin a new line block indented and
 35 insert:

36 **"(2)".**

37 Page 10, line 16, delete "; or" and insert ".".

38 Page 10, delete line 17.

39 Page 10, line 22, delete "27." and insert "**29**".

40 Page 10, line 22, delete "25(f)" and insert "**26(f)**".

41 Page 11, line 3, after "(c)" insert "**The commissioner may adopt**
 42 **rules under IC 4-22-2 to specify information that must be provided**
 43 **to evidence sufficiency of a title insurance agent's net worth as**
 44 **described in subsection (a).**

45 **(d) Financial information provided to evidence sufficiency of a**
 46 **title insurance agent's net worth under this section is confidential.**

- 1 (e)".
- 2 Page 11, line 7, delete "28." and insert "30."
- 3 Page 13, line 34, delete "25" and insert "26".
- 4 Page 13, between lines 34 and 35, begin a new paragraph and insert:
- 5 "(n) A:
- 6 (1) title insurer; or
- 7 (2) title insurance agent on behalf of a title insurer;
- 8 shall issue a title insurance policy not later than sixty (60) days
- 9 after all conditions or requirements specified in the title insurance
- 10 report have been satisfied. However, if a title insurance policy
- 11 cannot be issued within the period set forth in this subsection due
- 12 to an act of God or war, the policy must be issued within a
- 13 reasonable period determined by the department."
- 14 Page 13, line 35, delete "29." and insert "31."
- 15 Page 14, between lines 16 and 17, begin a new paragraph and insert:
- 16 "(c) A title insurer or title insurance agent shall, at the time the
- 17 title insurance report is prepared, provide written notice to all
- 18 parties that receive the title insurance report that a closing
- 19 protection letter may be purchased.
- 20 (d) The department shall adopt rules under IC 4-22-2 to specify
- 21 the content of each notice required under this section."
- 22 Page 14, line 17, delete "30." and insert "32."
- 23 Page 14, line 27, delete "31." and insert "33."
- 24 Page 14, line 41, delete "," and insert "and the title insurance agent
- 25 or title agency is convicted of an offense under IC 35-43-9-7,".
- 26 Page 15, line 1, after "agency" insert ".".
- 27 Page 15, delete line 2.
- 28 Page 15, delete lines 8 through 16, begin a new line blocked left and
- 29 insert:
- 30 "However, a title insurer's liability under this subsection is limited
- 31 to the amount payable under a title insurance policy issued or
- 32 committed, or a closing protection letter issued, in connection with
- 33 the real estate closing or escrow in relation to which the
- 34 defalcation, conversion, or misappropriation is committed, plus
- 35 reasonable attorney's fees."
- 36 Page 15, line 26, delete "32." and insert "34."
- 37 Page 16, line 6, delete "33." and insert "35."
- 38 Page 16, line 38, delete "34." and insert "36."

- 1 Page 16, line 40, delete "35." and insert "**37.**".
- 2 Page 17, line 19, delete "36." and insert "**38.**".
(Reference is to ESB 349 as printed February 17, 2006.)

Representative Burton